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By Ranjit Devraj  
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## ***Pro-rich policies drive billionaire boom in India***

Sources: IPS

If India is among the world's fastest-growing economies, it is also the country where inequality is rising the fastest, thanks to the country's unique endemic characteristics, such as the caste system.

"It's not well understood, but India doesn't have a working class, but large working castes trapped in an inherently wicked system," says Manas Ray, a professor of cultural studies at kolkata's Centre for Social Science Studies.

According to Ray, the working castes and their interests are underrepresented in important decision-making areas and, in addition, have little guidance or support from non-governmental organizations (NGOs), especially those of volunteers. There is no voluntary sector similar to the one that works to empower the marginalized in other countries in the region.

In fact, hundreds of international NGOs, such as Amnesty International and Greenpeace, have been forced to shut down their operations in India in recent years.

"The situation is different in Bangladesh, where powerful NGOs reach out to ordinary citizens and guide them," Ray says, as an example, of the neighboring country in South Asia. The fact that Bangladesh does not have a caste system is a great help.

Last year, Bangladesh recorded a per capita income of \$2227, or \$280 more than its larger neighbor with a much larger economy. Bangladesh, once considered a "basket case," can maintain this advantage in the future thanks to investments in the social sectors, "especially in education and health," says Ray.

In a global report published in January, the UK-based international aid organisation Oxfam describes India as a "very unequal" country, with the richest 10% of its 1400 million people accounting for 77% of total national wealth.

The report, titled "Inequality Kills," estimates that inequality has risen in high proportion over the past three decades in the emerging South Asian powerhouse.

Oxfam estimates that it would take 941 years for a high-paid minimum wage worker in rural India to earn what a highly-paid executive at a major Indian garment company earns in a year.

The NGO attributes India's stark wealth inequality to "an economic system that favors the super-rich to the detriment of the poor and marginalized."

The report notes that during 2021, when the COVID-19 pandemic caused 84% of Indian households to suffer a decline in their income, the number of billionaires in the country went from 102 to 142.

During the worst months of the pandemic (March 2020 to November 2021), the wealth of India's billionaires more than doubled, from \$313 billion to \$719 billion.

"The pandemic proved to be a turning point that exposed the iniquity of the country's system," Ray said, referring to how a suddenly imposed shutdown of activities left millions of internal migrant workers stranded in cities with no work, food or shelter and no choice but to walk to their distant homes in the interior of the country. often hundreds of miles away.

### **Interventions of the highest court**

It took petitions from the Supreme Court itself for the government of nationalist Narendra Modi to admit that more than half a million people were walking on the roads trying to return to their towns and villages, often defying attacks from the police tasked with enforcing lockdown rules.

The unions said most of the estimated 200 million migrant workers in India's various cities and towns lost their jobs.

In contrast to the ruthless treatment of internal migrant workers, the government spared no expense in arranging special flights to pick up students and privileged people who were trapped in foreign countries, which had also imposed lockdowns to stop the spread of covid.

India's highest court has had to use the Constitution and laws on more than one occasion in favour of the poor and marginalized, where inequality has been very stinging and flagrant.

For example, the Supreme Court intervened to order the distribution to the poor and hungry of large quantities of surplus grain that was rotting in state warehouses.

On January 7, that same top court dismissed injunctions seeking to challenge the government's policy of reserving a quota of coveted graduate positions in the country's medical schools for what is formally called "other backward classes," claiming it went against the principle of merit.

The justices did not accept such an argument, arguing that it is precisely the inequitable Indian system that affects that principle of merit.

"Widespread inequalities in the availability of and access to educational facilities will result in the deprivation of certain classes of people who would not be able to compete effectively in such a system," Justice Y. Chandrachud said in handing down the ruling.

Chandrachud stressed that "special provisions allow these disadvantaged classes to overcome the obstacles they encounter in order to compete effectively with the upper classes, thus ensuring substantive equality."

"Merit must be socially contextualized and reconceptualized as an instrument that promotes social goods such as equality that we, as a society, value," he stressed, noting that the Indian Constitution includes provisions to grant reserved quotas in jobs and educational opportunities, aimed at "remedying the structural disadvantages suffered by certain groups."

However, reserved quotas have hardly addressed the problem.

Since 1983, successive governments have implemented a policy of reserving 50% of jobs in the coveted civil service for the most socially disadvantaged castes, but in 2019 only four people in these categories had accessed a list of 89 secretary-level positions.

How can these deep-seated inequalities be remedied?

Oxfam's report calls for increased taxes on the richest 10% of India's population to help fund inequality reduction measures. This is easier said than done, to begin with because only 1% of Indians declare enough income to be taxed.

In 2021, only 50.89 million people filed income tax, and only half of that number paid any significant tax.

Prabhat Patnaik, a former professor of economics at Jawaharlal Nehru University in New Delhi, agrees that the solution to great inequality lies in "taxing the rich and investing the proceeds in the underserved social sectors."

As an example of deep social inequities, oxfam's report says 63 million Indians are pushed into poverty each year because of unbearable health costs.

Behind it is the fact that public spending on health is one of the lowest in the world: 1.8% of gross domestic product (GDP) in 2021.

Although India is an important destination for so-called "medical tourism" for its excellent specialized hospitals, several of its poorest states have higher infant mortality rates than sub-Saharan Africa.

Patnaik explained that government policies have consistently favored the wealthy since the country embarked on economic liberalization in the early '80s.

The inheritance tax was abolished in 1985 and in 2017 the government abolished the wealth tax, allowing the concentration of wealth in already wealthy families. In September 2019, corporate tax was reduced from 35% to 26%.

"In contrast to India's policy of offering tax concessions to the rich, the international trend is for the rich to ask for more taxes," Patnaik said, referring to the Patriotic Millionaires group's open letter to the World Economic Forum's virtual meeting in Davos in January, calling for more taxes to help the post-pandemic economic recovery.

"As millionaires, we know that the current tax system is not fair. Most of us can say that although the world has gone through immense suffering over the past two years, we have actually seen our wealth increase during the pandemic; however, few if any of us can honestly say that we pay our fair share of taxes," reads the letter, prompted by the Oxfam report.

Unsurprisingly, there were no Indians on the list of the 102 patriotic millionaires who subscribed to the message and there has been no statement about it from the Indian authorities.

Source: <https://ipsnoticias.net/2022/02/politicas-prorricos-impulsan-auge-de-milmillonarios-en-india/>

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